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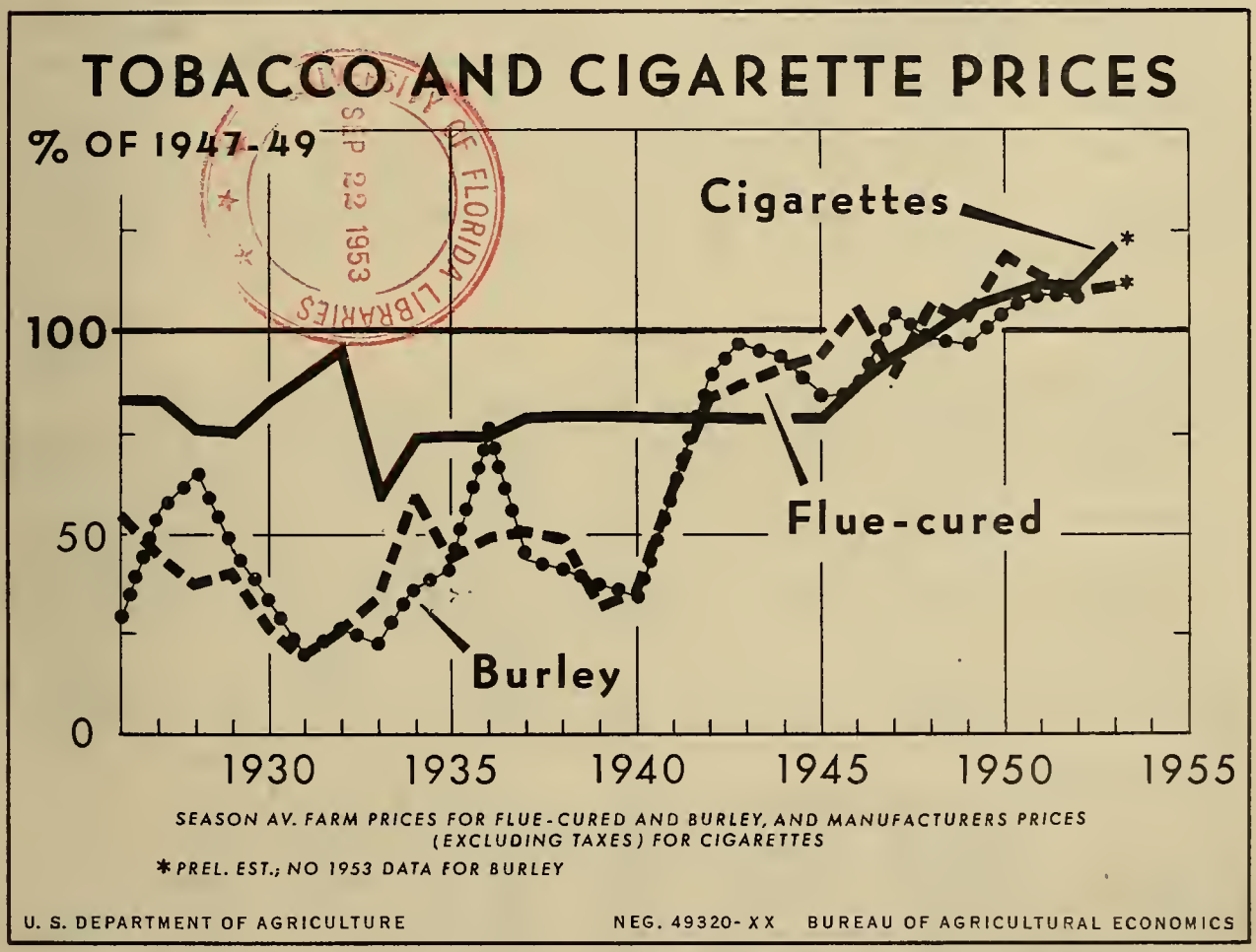
THE Tobacco SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

TS-65 BAE JULY-SEPTEMBER 1953



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Prices received by growers for tobacco fluctuated much more sharply during 1926-40 than manufacturers' prices (excluding Federal and State taxes) of standard brand cigarettes. Government ceilings were an important factor limiting price fluctuations in 1942-46. Manufacturers prices of cigarettes advanced 42 percent between early 1946 and the latter half of 1950. Growers' prices rose sharply in the early war years and have since continued well above the relatively lower levels of most prewar years. The current level of cigarette prices (following the increase in February) is 24 percent above the 1947-49 average. Based on sales through late August, the 1953 average price for flue-cured is expected to be near last season's and 8 or 9 percent above the 1947-49 average. Burley markets do not begin until around December 1. The 1952 season average price for Burley was 8 percent above the 1947-49 average.

STATISTICAL SUMMARY

Item	Unit or base period	1952 Apr.	1952 May	1952 June	1952 July	1953 Apr.	1953 May	1953 June	1953 July	Last data available as percentage of a year earlier
Average prices at auctions										
Flue-cured	Cents per lb.	C-l-o-s-e-d			52.1	C-l-o-s-e-d			52.1	100
Burley	Cents per lb.	C-l-o-s-e-d				C-l-o-s-e-d				---
Maryland	Cents per lb.	Closed	44.0	43.5	46.9	Closed	49.2	51.5	48.5	103
Fire-cured	Cents per lb.	C-l-o-s-e-d				C-l-o-s-e-d				---
Dark air-cured (35-36)	Cents per lb.	C-l-o-s-e-d				C-l-o-s-e-d				---
Virginia sun-cured (37)	Cents per lb.	C-l-o-s-e-d				C-l-o-s-e-d				---
Parity prices										
Flue-cured	Cents per lb.	56.4	56.4	55.8	55.8	53.0	53.0	52.2	52.8	95
Burley	Cents per lb.	55.2	55.2	54.6	54.6	51.6	51.6	50.9	51.4	94
Maryland	Cents per lb.	59.5	59.5	58.9	58.9	55.8	55.8	55.0	55.6	94
Fire-cured	Cents per lb.	35.0	35.0	34.6	34.6	34.3	34.3	33.8	34.2	99
Dark air-cured (35-36)	Cents per lb.	30.6	30.6	30.3	30.3	30.1	30.1	29.7	30.0	99
Virginia sun-cured (37)	Cents per lb.	37.9	37.9	37.5	37.5	35.4	35.4	34.9	35.3	94
Parity index 1/	1910-14=100	289	289	286	286	279	279	276	278	97
Tax-paid withdrawals										
Cigarettes, small	Billion	32	32	36	34	32	31	33		92
Cigars, large	Million	492	497	496	504	520	506	510		103
Chewing and smoking	Mil. lb.	15	15	15	14	15	15	14		93
Snuff	Mil. lb.	3.5	3.2	3.1	2.1	3.6	3.1	3.3		106
Accumulated from Jan. 1										
Cigarettes, small	Billion	125	157	192	226	131	162	194		101
Cigars, large	Million	1,911	2,408	2,904	3,408	1,956	2,463	2,973		102
Chewing and smoking	Mil. lb.	59	74	89	103	57	71	85		96
Snuff	Mil. lb.	14	17	20	22	13	16	20		100
Tax-free removals										
Cigarettes, small	Billion	3	3	2	3	3	3	3		150
Cigars, large	Million	7	5	4	4	8	4	8		200
Chewing and smoking	Mil. lb.	.4	.4	.5	.3	.3	.3	.3		60
Accumulated from Jan. 1										
Cigarettes, small	Billion	13	16	19	22	12	14	17		89
Cigars, large	Million	36	41	45	49	26	30	38		84
Chewing and smoking	Mil. lb.	2.3	2.7	3.2	3.4	1.1	1.4	1.7		53
Personal income 2/	Bil. dol.	263	266	268	266	283	285	286		107
Index of industrial production 3/	1935-39=100	216	211	204	193	241	240	241	232	120
Employment	Million	60.1	61.2	62.6	62.2	61.2	61.7	63.2	63.1	101
Labor force employed	Monthly	97.4	97.4	97.2	97.0	97.5	97.9	97.6	97.6	101
Exports (farm-sales wt.)										
Flue-cured	Mil. lb.	14.1	24.7	25.4	22.7	50.3	35.0	27.7		109
Burley	Mil. lb.	2.5	2.8	1.5	3.6	2.5	1.7	5.7		380
Maryland	Mil. lb.	.8	.6	.3	.6	.6	.5	.5		167
Fire-cured	Mil. lb.	1.9	1.3	2.4	1.4	1.5	1.6	2.2		92
Dark air-cured	Mil. lb.	1.0	.3	.9	.2	.4	.5	.5		56
Cigar	Mil. lb.	.2	.8	.3	.5	.8	.9	.6		200
Accumulated from beginning of marketing yr. 4/										
Flue-cured	Mil. lb.	452.1	476.8	502.2	22.7	353.3	388.3	416.0		83
Burley	Mil. lb.	15.6	18.3	19.9	23.5	14.4	16.1	21.9		110
Maryland	Mil. lb.	3.8	4.7	4.7	5.3	3.8	4.2	4.7		100
Fire-cured	Mil. lb.	18.8	20.2	22.6	24.0	21.0	22.6	24.8		110
Dark air-cured	Mil. lb.	5.9	6.2	7.1	7.3	3.7	4.2	4.7		66
Cigar filler and binder	Mil. lb.	2.0	2.3	2.5	2.7	3.0	3.4	3.5		140
Cigar wrapper	Mil. lb.	3.0	3.4	3.6	.3	3.4	3.9	4.4		122
U.S. imports, all commodities	Mil. dol.	936	843	859	838	998	891	926		108
Accumulated from Jan. 1	Mil. dol.	3,725	4,568	5,427	6,265	3,750	4,641	5,567		103
Sterling area gold and dollar reserves 5/	Mil. dol.	1,662	1,678	1,685	1,716	2,273	2,321	2,367	2,456	143
Stocks of domestic types (farm-sales weight) 6/										
Flue-cured	Mil. lb.	1,990			1,731	2,154			1,852	107
Burley	Mil. lb.	1,344			1,205	1,446			1,302	108
Maryland	Mil. lb.	52			64	57			72	112
Fire-cured	Mil. lb.	173			160	171			160	100
Dark air-cured	Mil. lb.	87			80	90			83	104
Cigar, filler	Mil. lb.	218			218	220			214	98
Cigar, binder	Mil. lb.	159			147	147			134	91
Cigar, wrapper	Mil. lb.	25			21	24			19	90

1/ Prices paid, interest, taxes, and farm wage rates. 2/ Annual rate, seasonally adjusted. 3/ Adjusted for seasonal variation. 4/ July 1 for flue-cured and cigar wrapper and October 1 for other types. 5/ Held in London. 6/ Dealers' and manufacturers' holdings in United States and Puerto Rico on first day of quarter.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board, August 25, 1953

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SUMMARY

More flue-cured and Burley is being used in the United States than in any previous year, reflecting mainly the record output of cigarettes. Cigarette manufacture in 1953-54 is likely to continue high and probably will absorb more tobacco than in 1952-53. Exports of unmanufactured tobacco in the 1952-53 fiscal year were 14 percent lower than in 1951-52. This was due principally to reduced imports by Britain, which took more than usual in 1951-52 to increase stocks. Western Germany and Netherlands, also leading outlets for United States tobacco, took more in 1952-53 than in 1951-52. Exports in 1953-54 are likely to be about as large as, or possibly a little larger than, in 1952-53. Gold and dollar holdings abroad have increased during the past year, but amounts available for purchase of tobacco will continue limited.

The total output of cigarettes in the 1952-53 fiscal year was 437 billion--over 14 billion more than in 1951-52. The extra-length or "king size" cigarette continued to receive considerable emphasis. Tax-paid consumption at 397 billion was 3½ percent above 1951-52 and above any previous year. Nearly all of the remainder were tax-free removals, which include shipments to overseas forces and exports. The 1952-53 output of smoking tobacco was about 92 million pounds--6 percent lower than in 1951-52 and the smallest since the early 1900's. With consumer incomes and employment high, use of tobacco in pipes or roll-your-own cigarettes is expected to remain relatively low.

Flue-cured tobacco, the largest kind of tobacco, is used for the most part in domestically manufactured cigaretts but is also the principal export kind. A crop about 7 percent lower than in 1952 was indicated on August 1 but with a larger carryover, the total supply for 1953-54 is likely to be slightly above that for 1952-53.

The flue-cured tobacco auctions opened in mid-July and gross sales by August 24 totaled 352 million pounds at an average price of 52.4 cents per pound. This compares with 318 million pounds at 50.9 cents in the comparable period of the 1952 season. The Government support price for the 1953 crop is 47.9 cents per pound--5.3 percent lower than for last year's crop. Through August 21, growers had placed about 4 percent of deliveries under Government loan.

Production of Burley, second largest kind of tobacco, was estimated as of August 1 at about 11 percent less than the record crop of last year, when yields per acre were the highest in history. The carryover of Burley will be larger than a year earlier and the 1953-54 total supply probably will be a little larger than in 1952-53. The principal domestic outlet by far is cigarettes but smoking and chewing tobacco take sizable amounts. Exports account for about 5 or 6 percent of the annual disappearance. Marketing of 1953 Burley is expected to get under way around December 1 as usual. The Government support price will be moderately lower than last year because of the decline in parity price.

Maryland tobacco is also primarily a cigarette type. The prospective crop as of August 1 was about 5 percent lower than last year. With the 1953 crop, marketing quotas and acreage allotments are in effect on Maryland tobacco for the first time. Stocks next October 1 are expected to be larger than a year earlier and the total supply for 1953-54 will exceed 1952-53. Exports in the current marketing year are expected to total about the same as in 1951-52. Auctions for the 1952 crop of Maryland tobacco closed August 7. The season average price was 49.8 cents per pound--14 percent above the relatively low average of a year earlier.

The prospective fire-cured tobacco crop, as of August 1, is practically the same as last year's harvestings. The carryover is likely to be a little lower than a year earlier and 1953-54 total supply will also drop below that of 1952-53. The principal domestic use of fire-cured tobacco is in snuff and 45 to 55 percent of total annual disappearance is exports. Snuff output in the fiscal year 1952-53 was 38 million pounds--about 2½ percent lower than in the preceding year. Exports of fire-cured in the 1952-53 marketing year may be 5 to 10 percent above the postwar low of 1951-52. The Government support price for 1953 fire-cured tobacco, computed at 75 percent of the Burley support level, will be lower than in 1952.

A 5 percent lower dark air-cured tobacco crop than in 1952 was indicated as of August 1. However, the carryover will exceed that of a year earlier and the total 1953-54 supply probably will be above 1952-53. The principal domestic use for dark air-cured is in chewing tobacco. The output of all chewing tobacco in fiscal year 1952-53 was 83.7 million pounds--2.3 percent lower than in 1951-52 and a new low. Some further gradual decline seems likely over the next few years. Exports of dark air-cured may be near a postwar low in the current marketing year. The Government support price for 1953 dark air-cured tobacco, computed at 66 2/3 percent of the Burley support level, will be lower than in 1952.

Cigar filler and binder tobaccos grown in continental United States, except Pennsylvania Seedleaf, are being produced under marketing quotas and acreage allotments in 1953. Production of Pennsylvania Seedleaf is indicated to be about 4 1/2 percent above the small 1952 crop but Ohio filler may be down almost 7 percent. The prospective total production of the binder types is slightly above that harvested last year. It is estimated that filler and binder carryovers will be below a year earlier, and 1953-54 total supplies also will be moderately lower than for 1952-53. Government price supports will be in effect at 90 percent of parity for the filler and binder types except Pennsylvania Seedleaf.

The bulk of the cigar tobacco goes into domestic manufacture of cigars, but some lower grades, particularly of binder types, are used in scrap chewing. In the fiscal year 1952-53, consumption of cigars in the United States totaled about 6 billion--3 1/2 percent above the preceding year and the second largest since 1930-31. It is expected that consumption will continue at about this rate in the year ahead.

Indicated acreage of shade-grown wrapper is below that harvested in 1952 and the crop may be the smallest since 1947. Carryover is down from last year's peak and 1953-54 total supply is moderately less than for 1952-53 and the lowest for 5 years.

The percentage increase in wrapper and binder exports from 1951-52 to 1952-53 is considerable.

TOBACCO PRODUCTS

Cigarettes

Cigarette output during the fiscal year ending June 30, 1953, is estimated at 437 billion over 14 billion above the preceding year and a new record. Tax-paid consumption accounted for close to 397 billion--3½ percent more than in 1951-52. The gain over a year earlier was slightly less than in the 2 preceding years. The tax-free group totaled nearly 39 1/2 billion--3 percent more than in 1951-52. The preponderant share of the tax-free cigarettes is shipped for use of overseas forces or as commercial exports to foreign countries.

Cigarette consumption in the United States in the year ahead is expected to continue at a record or near record level. Additions to the number of smokers--reflecting increase in the number of people of smoking age--and the continuation of personal incomes at a comparatively high level are favorable factors. The extra-length or "king size" cigarette is receiving considerable emphasis. Several trade reports indicate that the extra-length cigarette contains about 15 percent more tobacco than the regular-length cigarette. Data are not available to indicate whether the average smoker of "king size" cigarettes smokes fewer than would be the case with regular-length cigarettes. Retail prices per pack of some of the "king size" cigarettes are about 4 1/2 to 5 percent more than the regular size (State taxes cause variation in retail prices among States).

Leading manufacturers advanced their prices (excluding tax) of regular length cigarettes by nearly 11 percent around the end of February 1953 and they are about 17 percent above the mid-1950 level. The Federal excise tax on cigarettes was raised from 7 cents to 8 cents per package of 20 on November 1, 1951, and according to existing legislation, it will revert to 7 cents on April 1, 1954. The average retail price (including Federal and State taxes) for a package of cigarettes in rural areas in March 1953 was 22.4 cents--nearly 5 percent above a year earlier and 15½ percent above the pre-Korean level.

Table 1.- Cigarettes: Total output, domestic consumption and exports, for specified periods

Period	Total output	Domestic consumption 1/	Tax-free removals 2/	
			Total	Exports
	Billion	Billion	Billion	Billion
Average:				
1935-39	164.2	157.0	7.2	5.5
1940-44	256.9	223.5	33.3	5.8
1945	332.2	267.2	65.0	6.9
1946	350.0	321.7	30.7	24.1
1947	369.7	335.4	34.3	22.8
1948	386.8	348.5	38.7	25.2
1949	385.0	351.8	33.2	19.5
1950	392.0	360.2	31.8	14.3
1951	418.8	379.7	38.9	16.8
1952	435.5	394.1	40.9	16.4
	Fiscal year			
July 1949-June 1950	383.3	354.8	28.6	16.3
July 1950-June 1951	407.3	369.2	38.1	15.5
July 1951-June 1952	422.1	384.0	38.2	16.5
July 1952-June 1953	436.6	396.9	39.4	17.0

1/ As indicated by tax-paid removals. 2/ In addition to exports, tax-free removals include principally shipments to forces overseas, to United States possessions, and ships' stores.

Bureau of Agricultural Economics. Compiled from reports of the United States Treasury and Commerce Departments.

Cigarette exports to foreign countries during the year ending June 30 totaled nearly 17 billion with a total declared value of 58 million dollars. Total volume and value increased 3 and 8 percent, respectively, from 1951-52 to 1952-53. The average value per thousand was $3.44--4 percent more than in 1951-52. The number of cigarettes going to the 10 leading export outlets was 58 percent of the total and are shown in table 2.

Table 2.- Cigarette exports from the United States to leading countries for specified periods

Country	Average 1934-38 (calendar year)	Year beginning July 1951 1/	Year beginning July 1952 1/	1952 as percentage of 1951	January-June 1952 1/	January-June 1953 1/	1952 as percentage of 1951
	Million	Million	Million	Percent	Million	Million	Percent
Tangier and Fr. Morocco	12	1,946	2,284	117	903	917	102
Venezuela	39	1,776	1,394	78	861	685	80
Belgium	63	642	1,048	163	268	503	188
Netherlands Antilles	1,221	813	845	104	427	426	100
Hong Kong	22	933	826	89	309	426	138
Panama and Canal Zone	389	701	809	115	384	377	98
France	307	776	795	102	382	512	134
Sweden	80	515	740	144	401	390	97
British Malaya	3	932	580	62	277	218	79
Canada	12	542	541	100	229	238	104
Other countries	2,622	6,878	7,115	103	3,332	3,707	111
Total all countries	4,770	16,454	16,977	103	7,773	8,399	108

1/ Preliminary.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

Cigars

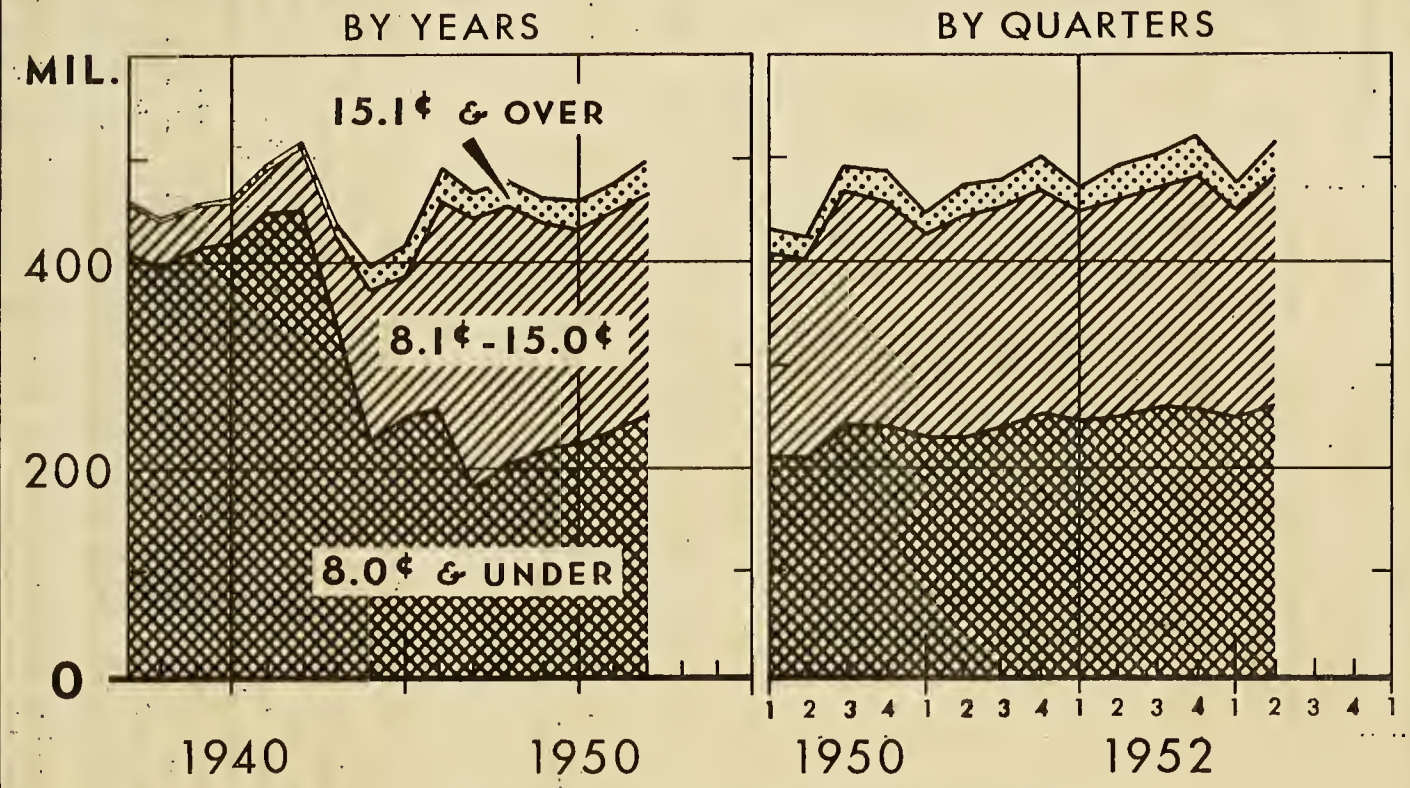
In the year ending June 30, 1953, cigar consumption in the United States is estimated at a little over 6 billion--3½ percent above 1951-52 and the second largest since 1930-31. This rate is expected to be maintained during the year ahead as personal incomes seem likely to continue at a relatively high level. In addition to consumption in this country, a sizable number (the preponderant share of the 94 million tax-free removals) went to overseas forces. Approximately 97 percent of all cigars for this country are produced in domestic factories and the remainder come from bonded manufacturing warehouses (using only imported tobacco) or are imported ready-made, mainly from Cuba and the Philippines.

The BLS index of wholesale prices for popular-priced cigars in July 1953 was 4 percent above the mid-1950 level. From December 1952 to July 1953 the index for medium-priced cigars advanced 3.3 percent after having been constant in the previous 6-year period covered by the index. The index for high-priced cigars went up slightly from June to July bringing it to about 5 percent above mid-1950. The index of low-priced cigars has been constant for nearly 5 years.

As usual, commercial exports of cigars to foreign countries amounted to less than 1 percent of total output. In fiscal 1952-53--about 4-2/3 million valued at $252,000. Among the principal destinations were Saudi Arabia, Canada, Union of South Africa, and Panama Canal Zone.

CIGAR CONSUMPTION

Monthly Domestic Consumption, by Retail Price Groups



MONTHLY AV. CONSUMPTION AS INDICATED BY TAX-PAID WITHDRAWALS OF LARGE CIGARS BY PRICE CLASSES IN INTERNAL REVENUE REPORTS

U. S. DEPARTMENT OF AGRICULTURE NEG. 47083-XX BUREAU OF AGRICULTURAL ECONOMICS

Cigar consumption in 1952 as measured by tax paid withdrawals was 4.3 percent above 1951 and the second highest since 1930. During the first and second quarters of 1953 cigar consumption was 1.3 and 3.4 percent higher than in the same periods a year earlier.

The retail price pattern in recent years has been much different than in prewar years when about nine-tenths of all cigars sold for 5 cents or less. Between 1947 and 1952 the proportion selling for 8 cents or less rose from 40 to 51 percent and those in 8 to 15 cents price-bracket fell from 55 to 43 percent of the total. In the last few years the number of higher priced cigars (over 15 cents) has been about 8 times the 1937-40 average.

Table 3.- Cigars 1/: Output and domestic consumption for specified periods

Period	Domestic factories			Bonded manufacturing warehouses	Imports for consumption			From Puerto Rico: Tax-paid withdrawals in United States
	Total output	Tax-paid removals	Tax-free removals	Tax-paid removals	Total	From Philippines	From Cuba	
	Million	Million	Million	Million	Million	Million	Million	Million
Average:								
1935-39	5,075	5,060	13	66	192.4	189.2	3.0	27.4
1940-44	5,450	5,282	199	105	93.7	78.4	15.3	11.6
1945	5,275	4,774	469	82	60.0	.0	59.8	85.3
1946	5,618	5,621	26	125	22.2	2.0	20.1	77.8
1947	5,488	5,460	41	124	12.5	3.2	9.1	6.2
1948	5,645	5,588	38	140	11.8	1.4	10.3	5.0
1949	5,453	5,399	46	142	10.9	.6	10.2	4.6
1950	5,399	5,365	47	158	11.9	.7	11.1	.7
1951	5,594	5,518	85	171	14.3	1.3	13.0	.7
1952	5,825	5,752	101	2/180	14.6	1.9	12.5	1.9
	Fiscal year							
July 1949-June 1950	5,435	5,298	39	148	10.7	.6	10.0	.6
July 1950-June 1951	5,532	5,486	70	168	13.3	1.2	12.0	.7
July 1951-June 1952	5,685	5,619	87	171	14.4	1.2	13.0	.7
July 1952-June 1953	5,911	5,789	94	2/187	15.5	2.7	12.7	3.3

1/ Weighing over 3 pounds per 1,000 and including cigarillos.
2/ Estimated.

Bureau of Agricultural Economics. Basic data but not estimates compiled from reports of the Bureau of Internal Revenue and the United States Department of Commerce.

Smoking Tobacco

Output of smoking tobacco in the United States during the fiscal year ending June 30, 1953, was about 92 million pounds, close to 6 percent lower than in 1951-52 and the smallest since the early 1900's. A substantial proportion of smoking tobacco is used in pipes and most of the rest for "roll-your-own" cigarettes. These forms of tobacco use absorb much less tobacco in times when employment and personal incomes are high than when they are at lower levels. Smoking tobacco manufacture in the last several years has been only about one-half as large as the 1935-39 average. It is not expected to increase to any considerable extent as long as economic conditions remain relatively favorable.

In 1952-53, consumption of roll-your-own cigarettes, as indicated by tax stamps for cigarette papers, was one-fifth below a year earlier. Tax-paid papers represented probably only around 40 percent of the total. Data on those distributed tax-free are not available for 1952-53.

The index of wholesale prices (excluding taxes) for smoking tobacco increased 4 percent from mid-1950 to mid-1951 and another 10 percent in November 1951, when apparently the reduction in the Federal excise tax accrued to manufacturers. A further small increase occurred in March 1953 and the July 1953 index was over one-fifth higher than the 1947-49 average. Retail prices paid by farmers for smoking tobacco in June 1953 were 12 percent above the 1947-49 average. Consumer prices of smoking tobacco did not reflect the reduction in the Federal tax rate in late 1951.

Table 4.- Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average:							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.2	5.5	2.7	39.0	87.4	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.3	85.0	38.7
	Fiscal year						
July 1949-June 1950	108.7	41.3	5.5	2.8	39.5	89.1	40.7
July 1950-June 1951	106.0	40.1	5.1	2.8	39.7	87.7	40.4
July 1951-June 1952	98.0	39.4	4.5	2.8	39.0	85.7	39.1
July 1952-June 1953	92.3	38.5	4.9	2.8	37.5	83.7	38.1

Bureau of Agricultural Economics. Compiled from reports of the Bureau of Internal Revenue.

Exports of packaged smoking tobacco totaled 628,000 pounds in 1952-53--slightly more than in 1951-52. After reaching the peak of over 2 million pounds in 1947-48, exports have ranged between 580,000 and 723,000 pounds. Exports of bulk smoking tobacco at 3,246,000 pounds in 1952-53 were about 69 percent larger than in 1951-52 and the second largest in the past decade. The Republic of the Philippines, Spain, Haiti, the Dominican Republic, and Mexico are leading foreign importers of bulk smoking tobacco.

Chewing Tobacco

During the fiscal year ending June 30, 1953, output of chewing tobacco in the United States was 83.7 million pounds--2.3 percent lower than in 1951-52 and a new low. The long-term downward trend resumed after World War II and a further gradual decline seemslikely. Plug and scrap, the two major categories, decreased 2.3 and 3.8 percent, respectively, from 1951-52 to 1952-53. Output of twist increased some but was still the second lowest on record. Fine-cut chewing held about the same as in the preceding year. The index of wholesale prices (excluding taxes) for plug chewing tobacco has remained unchanged during the last 6 1/2 years except in November 1951, when the reduction in the Federal excise enabled manufacturers to realize a price increase of about 12 percent.

Tax-free removals of chewing tobacco, mostly for exports and other overseas shipments, account for around 3 percent of total output. Tax-free removals of plug and scrap fell off during 1952-53 but twist showed a considerable gain. The 1952-53 exports to foreign countries totaled 1,516,000 pounds--around 1 1/2 percent less than each of the previous 2 years. Australia and the Republic of the Philippines are the two leading export outlets.

Snuff

The output of snuff in the fiscal year ending June 30, 1953, was 38 million pounds--about 2 1/2 percent lower than in 1951-52 and 6 or 7 percent below each of the previous 4 years. Practically the entire output of snuff in this country is consumed in the United States. Although declining on a per capita basis, total snuff consumption tends to be quite stable.

The index of wholesale prices (excluding tax) for snuff increased 11 percent from mid-1950 to mid-1951 and another 7 percent in November 1951, when apparently the reduction in the Federal excise tax accrued to manufacturers. Since that time, the reported wholesale price of snuff remained unchanged. The July index was almost one-third above the 1947-49 average.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

In the fiscal year ending June 30, 1953, exports of unmanufactured tobacco from the United States totaled 448 million pounds--export weight (about 500 million pounds, farm-sales weight)--valued at 285 million

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

dollars. The 1952-53 tobacco exports dropped 14 percent below 1951-52 but 6 or 7 percent below those in 1949-50 and 1950-51. The decrease between 1951-52 and 1952-53 was mainly due to the sharply reduced quantity that went to the United Kingdom. In 1951-52, this country took considerably more than usual to build up stocks. The average value per pound in 1952-53 at 63.6 cents was only very slightly above that of 1951-52 but nearly 11 percent above 1950-51.

The 52 percent decline in British takings from 1951-52 to 1952-53 was partially offset by the 61 and 52 percent increases in tobacco exports going to Germany and Netherlands, respectively. These three leading export outlets accounted for 51 percent of total exports. Other leading importing countries that took significantly more were Australia, Switzerland, and Japan. Among those taking considerably less than a year earlier were Belgium, Ireland, and India.

Total flue-cured tobacco exports, though down 17 percent from 1951-52 to 1952-53, remained by far the largest export class. It composed 82 percent of the total in 1952-53 compared with nearly 86 percent in the preceding year. Exports of Burley, Maryland, Virginia fire-cured, Kentucky-Tennessee fire-cured, and cigar leaf showed small to moderate increases in the year ending June 30. On the other hand, very sharp decreases occurred in exports of One Sucker, Green River, Black Fat, and Virginia sun-cured.

Tobacco exports during the 1953-54 fiscal year seem likely to be about the same or perhaps a little larger than in 1952-53. Flue-cured prices for a substantial number of grades so far have tended to be a little lower than last season and stocks of United States tobacco abroad are comparatively low in relation to consumption. Consumption of cigarettes and other tobacco products in Germany is expected to increase in response to lower tax rates. In some other countries also, cigarette consumption continues to gain.

The limited availability of dollar exchange abroad continues to be the major problem of foreign purchasers seeking United States tobacco. Sterling area gold and dollar reserves held in London rose from the low level of 1.7 to nearly 2.5 billion dollars from mid-1952 to July 31, 1953. This substantial improvement brought these reserves to their highest point since late 1951 but they are still almost one-third lower than the average of the postwar highs from October 1950 through September 1951. Gold holdings, May 31, 1953, of France, Netherlands, Norway, Portugal, and Switzerland were higher than a year earlier. Indications are that Austria and Belgium also had a little higher holdings than a year earlier.

United States imports of goods and services are the principal means by which foreigners secure dollar exchange. United States imports during the year ending June 30 totaled 10.9 billion dollars--5.6 percent above the preceding year. During the first half of 1953, the total value of imports was 4.1 percent above that of the first half of 1952.

Table 5.- United States exports of unmanufactured tobacco, to principal importing countries, by types, for specified periods
(Declared weight)

Country and type	Year beginning July			1952 as a percentage of		January-June		
	Average 1934-38	1951 1/	1952 1/	Average 1935-39	1951	Average 1935-39	1952 1/	1953 1/
	Million pounds	Million pounds	Million pounds	Percent	Percent	Million pounds	Million pounds	Million pounds
Flue-cured	318.9	444.4	368.3	115	83	102.3	127.7	176.7
Burley	11.3	22.2	29.2	258	132	5.7	10.3	12.4
Maryland	5.3	6.0	6.3	119	105	3.0	2.9	3.3
Va. sun-cured	.0	.2	.1	---	50	.0	.2	2/
Va. fire-cured	9.5	4.2	4.9	52	117	4.8	1.6	1.7
Ky. & Tenn. "	52.6	20.6	21.6	41	105	33.1	11.1	11.0
One Sucker	.8	3.1	1.3	162	42	.4	.8	.5
Green River	3.1	2.3	1.5	48	65	2.2	2.0	1.2
Black Fat, etc.	8.9	4.7	3.1	35	66	4.4	1.7	1.6
Cigar wrapper	(	3.2	3.9	)	122	(	1.2	2.1
Cigar binder	(1.4	2.6	3.8	)593	146	(.6	.8	1.8
Cigar filler	(	.6	.6	)	100	(	.5	.2
Perique	.1	.1	.1	100	100	.1	2/	2/
Stems, trimmings, and scrap	19.7	3.7	3.2	16	86	10.2	1.6	1.2
Total	431.6	517.9	447.9	104	86	166.8	162.4	213.7
Country of destination:								
United Kingdom	210.2	220.1	104.9	50	48	50.3	18.2	68.4
France	20.7	3.9	7.7	37	197	19.3	1.5	2.5
Belgium	14.3	25.6	12.6	88	49	5.9	7.9	4.8
Netherlands	14.5	24.3	36.9	254	152	6.2	16.2	16.8
Germany, W. & E.	11.8	52.5	84.6	717	161	5.1	27.3	32.3
Portugal	4.8	5.8	6.8	142	117	2.5	3.1	5.0
Denmark	4.7	8.5	8.9	189	105	1.8	3.1	2.5
Ireland	7.2	19.5	11.3	157	58	2.4	7.7	2.6
Switzerland	3.8	9.9	11.6	305	117	1.8	4.5	5.5
Norway	5.0	6.7	8.1	162	121	2.1	2.8	3.1
Sweden	8.2	12.1	11.6	141	96	3.1	1.6	.3
Italy	.9	2.9	5.6	622	193	.6	2.8	5.6
China	49.2	.0	.0	---	---	26.3	.0	.0
Australia	19.1	19.6	22.3	117	114	10.3	7.4	5.8
India-Pakistan	2.7	6.1	3.5	130	57	1.2	3.9	1.5
New Zealand	2.7	6.6	6.2	230	94	1.2	2.6	3.3
Philippine Rep.	1.2	22.8	24.5	3/	107	.6	17.0	11.7
Other countries	50.6	71.0	80.8	160	114	26.1	34.8	42.0
Total	431.6	517.9	447.9	104	86	166.8	162.4	213.7

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Over 20 times as much.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce.

British Tobacco Situation

British home consumption of tobacco is estimated at 221 million pounds for the year ending June 30, over 3 million pounds above 1951-52. All of the increase occurred in tobacco coming from Commonwealth areas. Tobacco from Commonwealth areas made up about 45 percent of the total compared with a little less than 43 percent in 1951-52, 40 percent in 1950-51, and 36 percent in 1949-50. Tobacco products are relatively high priced in Britain because of the import duties. Tobacco duties provided almost 14 percent of total Government revenue in the year ending March 31, 1953.

During July 1952-June 1953, the United Kingdom exported about 44 million pounds of manufactured tobacco (about 95 percent cigarettes)--nearly one-sixth less than in 1951-52. Indications are that nearly all of the leading outlets, including Malaya, Singapore, Australia, Belgian Congo, Germany, Gold Coast, Hong Kong, Egypt, Burma, and France took less in 1952-53 than in 1951-52.

In addition to tobacco, the United Kingdom exported nearly 15 million pounds of unmanufactured tobacco in 1952-53--a jump of over 8 million over the 1951-52 figure. These are re-exports and a substantial amount was other than flue-cured tobacco and went to the Netherlands.

Total imports of unmanufactured tobacco into the United Kingdom in July 1952-June 1953 were 241 million pounds--36 percent less than the unusually large imports in the preceding year and the smallest quantity since 1947-48. There were sharp reductions in imports from the United States and Canada and also less form India and Nyasaland, but tobacco imports from Southern Rhodesia were substantially larger than in 1951-52. For the relative changes by country of origin and proportionate shares from each, see table 6. Almost nine-tenths of total British imports of tobacco is flue-cured. Of that coming from the United States, about 98 percent is flue-cured.

Stocks of tobacco in the United Kingdom at the end of May 1953 totaled 399 million pounds--14 percent lower than a year earlier when stocks were quite near their postwar peak following the heavy imports of 1951-52. Though stocks are somewhat above the May level of both 1951 and 1950, they are considerably below the 1937-39 average for that month.

The 1952-53 flue-cured crop in Southern Rhodesia is now estimated at 103 million pounds. This is a 5 million pound downward revision from an earlier estimate because of damage by excessive rains late in the season. It is about 4 percent above the 1951-52 crop and second only to the record 105 1/2 million pound crop of 1949-50. The average yields per acre at 575 pounds in 1952-53, 523 pounds in 1951-52, and 691 pounds in 1949-50 are well below average yields in the United States. Auction sales of 1952-53 flue-cured began in the latter half of March. After starting well above the previous season, prices declined quite sharply by late April. For about one-half of the crop marketed through late June, prices averaged about 52.3 cents (converted at $2.80 per pound sterling) per pound--nearly the same as in the comparable period of a year earlier.

Table 6.- Unmanufactured tobacco imports into the United Kingdom from major sources, average 1934-38, 1947-52

Year beginning July 1	United States	Southern Rhodesia	India	Canada	Nyasaland	Turkey	Greece	Other	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1934-38	210.6	15.9	18.1	12.3	12.5	0.6	0.6	4.5	275.1
1947	130.7	31.9	21.8	13.1	14.1	1.2	.1	2.7	215.5
1948	147.5	40.0	32.5	13.0	14.6	25.4	5.6	6.0	284.6
1949	162.4	47.4	46.6	15.0	16.1	13.7	1.3	6.7	309.2
1950	146.7	66.5	42.1	20.2	14.3	1.9	1.0	8.9	301.6
1951 1/	223.4	44.7	43.8	36.3	16.6	1.9	1.2	11.7	379.6
1952 1/	106.1	62.7	32.3	12.3	10.9	1.2	.8	15.1	241.4
	Percentage change								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Average 1934-38 to 1952	-49.6	+294.3	+78.5	0.0	-12.8	+100.0	+33.3	+235.6	-12.3
1951 to 1952	-52.5	+40.3	-26.3	-66.1	-34.3	-36.8	-33.3	+29.1	-36.4
	Percentage distribution								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Average 1934-38	76.6	5.8	6.6	4.5	4.5	0.2	0.2	1.6	100.0
1947	60.6	14.8	10.1	6.1	6.5	.6	---	1.3	100.0
1948	51.8	14.1	11.4	4.6	5.1	8.9	2.0	2.1	100.0
1949	52.5	15.3	15.1	4.9	5.2	4.4	.4	2.2	100.0
1950	48.6	22.0	14.0	6.7	4.8	.6	.3	3.0	100.0
1951	58.8	11.8	11.5	9.6	4.4	.5	.3	3.1	100.0
1952	43.9	26.0	13.4	5.1	4.5	.5	.3	6.3	100.0

1/ Preliminary.

In Ontario (which grows about 95 percent of the flue-cured in Canada), the flue-cured acreage allowed by the Flue-cured Tobacco Marketing Association for 1953 is about one-tenth larger than last season. The 1953 Canadian crop of flue-cured is expected to be about 116 million pounds. Last year's crop at 132 million pounds was the second largest on record despite the substantial cut from the previous year's acreage, since yields averaged a record 1,534 pounds per acre. The average price received by growers for the 1952 crop was 41.6 cents per pound--6 percent lower than a year earlier.

In India, the 1952-53 production of flue-cured estimated at 82 million pounds is about 9 percent lower than in 1951-52. Flue-cured accounts for between 15 and 20 percent of the production of all types in India. Flue-cured yields per acre average 500 to 600 pounds and even lower in some years. About three-fourths of British imports of Indian flue-cured is stemmed; and prices, as reflected by average import values per pound into Britain, are considerably below those of the United States, Southern Rhodesia, and Canada.

UNITED STATES TOBACCO IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

In the year ending June 30, 1953, tobacco imports into the United States totaled 106 million pounds valued at 82 million dollars compared with 105 million pounds valued at 85 million dollars in 1951-52.

Cigarette leaf imports accounted for about three-fourths of the total in 1952-53 but dropped about 3 percent below 1951-52. Leaf imported from Turkey and Greece rose 6 and 13 percent, respectively. The total declined because none was reported as entering from Bulgaria and Russia in contrast to nearly 7½ million pounds in 1951-52. This is probably attributable to the substantially higher duty rates which became effective on leaf from these countries in late 1951. The 1952-53 imports of latakia cigarette leaf from Syria dropped below a year earlier, but there was a substantial relative increase in cigarette leaf imports from Yugoslavia. The declared value per pound of all imported cigarette leaf at close to 66 cents was practically the same as a year earlier. Stocks of foreign grown cigarette and smoking tobacco in the United States on July 1 totaled 177 million pounds--1 percent lower than a year earlier.

The preponderant share of the other imported tobacco is used in cigars. Most of it comes from Cuba and some from the Philippines. A major source of imported wrapper is Indonesia. During 1952-53, a significant increase occurred in imports of stemmed filler and scrap from the Republic of the Philippines. The average value per pound of the Philippine tobacco is far less than the Cuban tobacco. Unstemmed filler and scrap from Cuba rose between 1951-52 and 1952-53 but stemmed filler tobacco from Cuba declined. There was less cigar wrapper from Indonesia in 1952-53 but a little more from Cuba. The average value of cigar wrapper from both sources was close to $4.70 per pound in 1952-53--slightly lower than in 1951-52.

Stocks of Cuban tobacco in the United States on July 1, 1953, were 15.6 million pounds--9 percent less than a year earlier--but stocks of Philippine tobacco at 2.1 million pounds were over 3 times those of a year earlier. Stocks of Sumatra and Java tobacco (excluding that stored in the Free Trade Zone) were 327,000 pounds--less than one-half as much as a year ago.

2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on an unstemmed-equivalent basis.

Table 7.- United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Year beginning July			1952 as a percentage of		January-June		
	Average 1934-38	1951 1/	1952 1/	Average 1934-38	1951	Average 1935-39	1952 1/	1953 1/
	Million pounds	Million pounds	Million pounds	Percent	Percent	Million pounds	Million pounds	Million pounds
Cigarette leaf								
Unstemmed								
Turkey	19.3	52.9	56.2	291	106	9.6	26.7	27.9
Greece	19.0	13.4	15.2	80	113	9.7	6.8	7.4
Syria	.7	4.2	3.7	529	88	.4	1.9	1.7
Bulgaria	.9	2.7	.0	---	---	.6	2/	.0
U.S.S.R.	.2	4.8	.0	---	---	.2	.0	.0
So. Rhodesia	.0	.7	.3	---	43	.0	.3	.1
Yugoslavia	.0	.4	1.3	---	325	.0	.2	.8
Total 3/	45.4	80.5	78.0	172	97	22.8	36.5	38.5
Cigar leaf (filler)								
Cuba								
Stemmed	7.2	11.0	9.5	132	86	3.4	5.5	5.1
Unstemmed	3.9	4.1	4.3	110	105	1.8	1.9	2.3
Philippines, Rep.								
Stemmed	) 4/	.7	1.3	---	186	) 4/	.7	.2
Unstemmed	)	.7	.0	---	---	)	.1	.0
Total 3/	11.2	17.9	15.3	137	85	5.3	8.2	7.6
Scrap								
Cuba	2.9	6.9	8.9	307	129	1.5	3.9	4.7
Philippines, Rep.	4/ 3.0	.1	2.3	77	5/	1.8	.1	1.2
Total 3/	5.9	7.1	11.2	190	158	3.3	4.0	5.9
Cigar wrapper								
Indonesia	6/ 1.9	.8	.5	26	62	6/ .8	.4	.2
Cuba	.2	.3	.4	200	133	.1	.2	.2
Total 3/	2.1	1.1	.9	43	82	.9	.6	.4
Total imports 7/	67.2	105.4	105.9	158	100	33.8	49.6	52.6

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Includes relatively small quantities from other countries not separately listed. 4/ Quantities reported as leaf in 1934-35 and as scrap in 1936-38 compose the 1934-38 average under the scrap classification in this table. 5/ Percentages over 999 not shown. 6/ From Netherlands Indies or Netherlands. 7/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.

Bureau of Agricultural Economics. Compiled from publications and records of the United States Department of Commerce

OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-Cured, Types 11-14

Production and Carryover

The 1953 acreage of flue-cured is indicated at 1,030,900--about 7 percent below that harvested in each of the preceding 2 years. Production, according to August 1 indications, will be 1,270 million pounds--7 percent smaller than 1952 harvestings and nearly 13 percent below the record crop of 1951. Hot, dry weather has lowered yield prospects of type 11 in many localized areas of Virginia and North Carolina.

Table 8.--Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-53

(Farm sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/ Total	Domestic 2/	Exports 2/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	741	845	1,586	704	338	366	22.9
1939	1,171	946	2,117	707	417	290	14.9
1940	760	1,410	2,170	577	421	156	16.4
1941	650	1,593	2,243	783	492	291	28.1
1942	812	1,460	2,272	893	604	289	38.4
1943	790	1,379	2,169	980	625	355	40.2
1944	1,087	1,189	2,276	1,150	696	454	42.4
1945	1,173	1,126	2,299	1,152	667	485	43.6
1946	1,352	1,147	2,499	1,212	659	553	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	720	382	49.6
1949	1,115	1,538	2,653	1,168	729	439	47.2
1950	1,257	1,485	2,742	1,185	757	428	54.7
1951	1,453	1,557	3,010	1,279	777	502	52.4
1952 2/	1,365	1,731	3,096	1,244	828	416	50.3
1953 2/	1,270	1,852	3,122				

1/ Year beginning July 1. 2/ Subject to revision.

Carryover of flue-cured tobacco on July 1 (beginning of the 1953-54 marketing year) was 1,852 million pounds--7 percent larger than a year earlier. Carryover plus this year's crop, as estimated August 1, adds to a total supply of 3,122 million pounds--not quite 1 percent above that for 1952-53.

Domestic Use and Exports

Total disappearance of flue-cured during the year ending June 30 at 1,244 million pounds was only 3 percent below the record high in 1951-52. Domestic use reached a new high of 828 million pounds--about 6½ percent above the preceding year. The record cigarette manufacture in this country absorbed the great bulk of that used domestically. The 17 percent decline in exports of flue-cured leaf more than offset the gain in domestic use--thus reducing total disappearance below the 1951-52 record. Domestic use probably will attain a new high in 1953-54 and exports seem likely to be about as large as last year and perhaps a little larger.

Exports at 416 million pounds (farm-sales weight) in 1952-53 were the smallest in 4 years. Although considerably less than in 1951-52, when the United Kingdom purchased an unusually large quantity, flue-cured exports were not far below those of 1950-51 and 1949-50. During 1952-53, exports of flue-cured to the United Kingdom, though still larger than that to any other country, were the smallest since 1924-25 except for the 2 years at the beginning of World War II. The United Kingdom took about 28 percent of the flue-cured exports and Germany was second--taking about 19 percent of the total. The quantity of United States flue-cured going to Germany in 1952-53 was larger than in any previous year and for each of the last 4 years, has been about two or three times as large as the better years in the 1920's. During the Nazi regime of the 1930's, Germany severely curbed tobacco imports. Netherlands, the third ranking outlet, got substantially more than in 1951-52 and close to the second largest quantity for that country since World War II. Dutch takings in each year since the war have been well above every prewar year. The next 10 ranking export outlets for flue-cured in 1952-53 were Philippine Republic, Australia, Japan, Indonesia, Ireland, Belgium, Thailand, Denmark, Sweden, and New Zealand. The Philippine Republic, Japan, Indonesia, Denmark, and Thailand increased their takings above 1951-52 but sharp declines occurred in flue-cured exports to Ireland, Belgium, and Sweden and to a lesser extent, to New Zealand. The quantity going to the Australia was very slightly above that of a year earlier. Among the other countries taking significant quantities of flue-cured, Norway, Portugal, Egypt, France, Indochina, and Pakistan increased their takings from 1951-52 to 1952-53 but decreases occurred for Hong Kong, India, Switzerland, Finland, Austria, and Ceylon.

1953 Price Supports and Auction Prices

The Government price support for the 1953 crop is 47.9 cents per pound--2.7 cents or 5.3 percent lower than for the 1952 crop. The decline in the support level from a year earlier is attributable to two factors which weighed about equally: (1) the decline in the adjusted base price which is recomputed each year and reflects the recent 10-year relationship between the price of flue-cured and the prices of all agricultural commodities and (2) the decline in the parity index (prices paid by farmers including interest, taxes, and wage rates).

The tobacco price supports are carried out by a schedule of loan rates established by grades. There is a specified rate for each grade of flue-cured and a 5 cents per pound differential between "tied" and "untied" tobacco. In the Georgia-Florida markets, tobacco is sold "untied."

Demand for flue-cured continues strong and although slightly lower prices have been received for a substantial number of grades thus far, the general averages have been above or near the comparable averages of last season. Auctions for the 1953 flue-cured crop began on July 16 in the Georgia-Florida, type 14, area--the earliest opening date on record. By August 24, 191 million pounds (including resales) had been sold at an average price of 51.0 cents per pound. Last season, the average price was 49.2 cents for 180 million pounds.

In the Border Belt, type 13, the South Carolina markets opened on July 30 and the North Carolina markets, on August 3. By August 24, 127 million pounds (including resales) had been sold at an average price of 54.2 cents per pound. This was about 1 percent higher than the average price in the comparable period of 1952. Gross sales (including resales) in the type 13 markets in the entire 1952 season totaled 293 million pounds and averaged 52.4 cents.

In the Eastern Belt of North Carolina, type 12, auctions began August 20. Gross sales for the first 3 days amounted to 34 million pounds and averaged 53.3 cents per pound. This was 6 percent higher than the early season average of a year ago.

The "Sandhill" auction markets for type 11(b), the Middle Belt, were to have opened August 27 and five other markets for this Belt, on September 1. For type 11(a), the Old Belt--North Carolina and Virginia--, markets begin September 14.

During the current season through August 21, about 15 million pounds -- 4 percent of total deliveries were placed under Government loan compared with 5 percent in the comparable period of last season. The flue-cured placed under loan in the 1952 season under the regular program was 165 million pounds and in addition, 78.4 million pounds were acquired for British manufacturers under an option to purchase. Together, these two quantities accounted for about 18 percent of the 1952 crop. From 1946 through 1952, Government loans were extended on a total of 972 million pounds (farm-sales weight) of flue-cured. On July 31, Government loan stocks were equivalent to about 240 million pounds (farm-sales weight). About 66 percent was 1952 crop; 29 percent, 1951 crop; and the rest, 1950 crop. None of the loan stocks of the earlier crops remained.

Burley, Type 31

Production and Carryover

Burley acreage this year is indicated at 428,700--7.5 and 6 percent lower than harvested acreages in 1952 and 1951. The 1953 crop, according to August 1 indications, is 579 million pounds--11 percent lower than last year's record crop.

The carryover of Burley on October 1 (the beginning of the 1952-53 marketing year) is estimated at 1,161 million pounds--about 100 million pounds or 9 percent larger than a year earlier. The carryover plus the new crop will provide a total supply of about 1,740 million pounds for 1953-54--about 2 and 9 percent above the levels of 1952-53 and 1951-52, respectively.

Domestic Use and Exports

Total disappearance of Burley for the year ending September 30 is estimated at 550 million pounds--2 percent above that of 1951-52 and the largest on record. Approximately 95 percent or 520 million pounds will be used domestically. The domestic use increase is due entirely to the record cigarette manufacture since output of smoking and chewing tobacco will account for less than in the preceding year. Exports of Burley in 1952-53 seem likely to be about 30 million pounds (farm-sales weight) and may be fairly near the 32 million pounds in 1951-52. In the first three-fourths of the marketing year, Burley exports were 10 percent more than in the same period of 1951-52. The 7 leading foreign outlets in 1951-52 were Germany, Belgium, Portugal, Sweden, Mexico, Denmark, and Austria. During the first 9 months of 1952-53, Germany and Belgium, got 35 and 29 percent less than in the same period of 1951-52 while Portugal, Sweden, Mexico, Denmark, and Austria increased their takings 38, 13, 66, 9, and 41 percent, respectively. Among other countries, the Republic of the Philippines, Switzerland, and Netherlands got more but Norway, Australia, and Egypt got less. There were no exports of Burley to France in 1951-52 until the final quarter, when about 1 million pounds went there. During October 1952-June 1953, about seven-tenths of a million pounds of Burley went to France.

Table 9.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-53

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	287	701	988	314	302	12	22.2
1939	395	684	1,079	317	305	12	17.3
1940	377	762	1,139	341	335	6	16.2
1941	337	798	1,135	380	374	6	29.2
1942	344	755	1,099	413	407	6	41.8
1943	392	686	1,078	427	418	9	45.6
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949	561	974	1,535	535	494	41	45.2
1950	499	1,000	1,499	518	488	30	49.0
1951	618	981	1,599	538	506	32	51.2
1952 2/	650	1,061	1,711	3/550	3/520	3/30	50.3
1953 2/	579	3/1,161	3/1,740				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.

Prices and Price Support

The large 1952 crop of Burley averaged 50.3 cents per pound--almost 2 percent less than the record average received for the 1951 crop. Demand is expected to be fairly strong in the 1953 season. Auctions usually begin around December 1.

The 1953 support level will be lower than the 49.5 cent level for the 1952 crop. In March, the minimum support level for the 1953 crop was announced at 46.6 cents per pound. The actual level of support will be 46.6 cents or 90 percent of the October 1 parity prices, whichever is higher. Ninety percent of the July parity for Burley was 46.3 cents per pound.

During the 1952 marketing season, 103.6 million pounds of Burley (about one-sixth of the crop) were placed under Government loan. In the past 7 seasons, a total of 567 million pounds were delivered by growers for Government loans. Government loan stocks of Burley on July 31 of this year totaled about 200 million pounds (farm-sales weight equivalent). None of the 1946-49 crop tobacco remains. The July 31 holdings were about 52 percent, 1952 crop; 42 percent, 1951 crop; and 6 percent, 1950 crop.

Maryland, Type 32 3/

Production and Stocks

The 1953 acreage indication for Maryland tobacco is 47,000--8 percent lower than the 1952 harvested acreage and the lowest in 5 years. The August 1 indication for production was 37.6 million pounds--5 percent lower than last year. Prospective yields per acre as of August 1 were about 2 or 3 percent above those of the last 2 years. In 1953, for the first time, a marketing quota and acreage allotments are in effect on Maryland tobacco.

Manufacturers' and dealers' stocks of Maryland on October 1 seem likely to be around 77 million pounds--6 percent above a year earlier and the largest for that date on record. This stocks estimate plus the 1953 crop amounts to nearly 115 million pounds--nearly 3 percent above the comparable total of a year earlier.

Domestic Use and Exports

Total disappearance of Maryland tobacco in the year ending September 30 probably will approximate 35 million pounds--1 to 2 million more than in 1951-52, the lowest year since 1945-46. Domestic use, most of which is in cigaretts, may be a little larger while exports seem likely to be about the same as in 1951-52.

3/ In 1952, the Congress amended the Agricultural Adjustment Act of 1938 to provide that for the purposes of marketing quotas and, when in effect, the sliding scale price supports, the carryover and total supply of Maryland tobacco would be computed on the basis of January 1 following the beginning of the marketing year instead of on the basis of October 1, as heretofore. Inasmuch as the definition of the marketing year, itself, was not changed, the discussion and statistical table are in terms of the October-September period.

Table 10.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-53

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Production plus Oct. 1 stocks	Disappearance 1/ Total	Disappearance 1/ Domestic 2/	Disappearance 1/ Exports 2/	Average price per pound	Stocks following Jan. 1 3/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents	Million pounds
Average 1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7	38.4
1939	32.8	41.4	74.2	26.5	22.6	3.9	21.1	36.3
1940	32.6	47.7	80.3	28.5	25.9	2.6	33.0	43.2
1941	31.2	51.8	83.0	27.2	26.1	1.1	30.1	45.0
1942	28.1	55.8	83.9	34.4	32.2	2.2	56.5	47.7
1943	20.8	49.5	70.3	25.1	23.8	1.3	45.3	43.8
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5	37.6
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0	46.5
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5	32.4
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8	44.8
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4	46.9
1949	41.2	54.0	95.2	35.4	28.0	7.4	48.3	45.5
1950	40.0	59.8	99.8	35.5	27.1	8.4	48.2	53.4
1951	41.6	64.3	105.9	33.3	26.7	6.6	44.8	59.3
1952 2/	39.5	72.6	112.1	4/35.0	4/28.0	4/7.0	5/49.8	64.9
1953 2/	37.6	4/77.1	4/114.7					

1/ Year beginning October 1. 2/ Subject to revision. 3/ Public Law 464-82nd Congress (an amendment to previous Agricultural legislation) provides that for the purposes of marketing quotas and when in effect, the sliding-scale price support, the carryover and total supply of Maryland tobacco shall be computed as of January 1 following the beginning of the marketing year--defined as the October 1-September 30 period. 4/ Estimated. 5/ Auction market average.

In the 9 months ending June 30, 1953, exports of Maryland tobacco were only 1 percent less than in the comparable period of a year earlier. About 69 percent of the total went to Switzerland, whose takings were 2½ percent below the comparable period of 1951-52. Netherlands, Germany, and Spain took more but Belgium and French Morocco got less. During October 1952-June 1953, there were no exports of Maryland tobacco to Tunisia in contrast to nearly one-half million pounds in the same period of 1951-52. In June 1953 for the first time about one quarter of a million pounds of Maryland tobacco went to Yugoslavia.

Prices and Price Support

Auction markets for the 1952 crop began on May 5 of this year and closed on August 7. After the first week of sales, when lower quality tobacco reduced the price average, the weekly prices averaged between 50 and 52 cents per pound (52.6 cents in late June) until July 8. In the latter half of July until the end of the season, prices tended to be somewhat lower as larger proportions of lower qualities were marketed. The

season average was 49.8 cents per pound--nearly 14 percent above the 1951 auction average. In general, the quality was about normal but not as good as the 1951 crop, which was one of the best in several years. In addition to the nearly 35 million pounds auctioned, about 2 1/4 million pounds of Maryland tobacco was received at the Baltimore hogshead market through August 7.

Government price supports were not in effect on the 1951 and 1952 crops of Maryland tobacco since marketing quotas on these two crops were disapproved by growers. However, the 1953 crop will receive Government price support and the minimum level announced in March is 50.4 cents per pound. The actual level of support will be 50.4 cents or 90 percent of the October 1 parity, whichever is higher. Ninety percent of the July parity for Maryland tobacco was 50.0 cents.

Price support operations were carried out on Maryland tobacco auctions for the 1948, 1949, and 1950 crops. Government loan stocks of Maryland tobacco on July 31 totaled 7.7 million pounds (farm-sales weight equivalent). About 68 percent of this was 1950 crop tobacco; 13 percent, 1949 crop; and 19 percent, 1948 crop.

Fire-Cured, Types 21-23

Production and Carryover

The indicated acreage of fire-cured tobacco is 48,600--2 1/2 percent more than the 1952 harvested acreage, which was the lowest on record. Most of the increase is in the Kentucky-Tennessee, types 22-23, area, which accounts for nearly four-fifths of the fire-cured tobacco acreage. Virginia fire-cured acreage accounts for the other one-fifth. Since acreage allotments are about the same as last year, somewhat fuller planting of allotments seems indicated.

The August 1 prospect was for a total fire-cured crop of about 58.2 million pounds--practically the same as last year. The Kentucky-Tennessee type 23 and Virginia type 21 were indicated at 4 to 6 percent below 1952 but the Kentucky-Tennessee type 22 was around 4 percent above last year's harvestings.

The carryover of fire-cured on October 1 (beginning of the 1953-54 marketing year) is estimated at about 143 million pounds--3 percent less than a year earlier. Stocks of type 23 seem likely to show most of the decline below a year earlier. The 1953-54 total supply of fire-cured--carryover plus this year's production--probably will be around 201 million pounds--2 or 3 percent lower than for each of the previous 2 years.

Domestic Use and Exports

Total disappearance of fire-cured in the year ending September 30, 1953, is estimated at 62 million pounds--3 or 4 percent more than in 1951-52. It appears that the increase in exports may more than offset the decline in domestic use. Domestic use is estimated at about 31 million pounds - about 1 million less than in 1951-52 and the smallest in history. Snuff manufacture, the main outlet in this country, during the first three-fourths of the marketing year was about 2 percent less than in the same period of a year earlier.

Table 11.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-53

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939	99.4	136.2	235.6	94.0	55.1	38.9	10.6
1940	106.5	141.6	248.1	64.2	45.6	18.6	9.5
1941	69.7	183.9	253.6	69.0	51.5	17.5	14.1
1942	71.5	184.6	256.1	76.3	60.7	15.6	17.1
1943	64.9	179.8	244.7	71.2	54.5	16.7	23.4
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	36.0
1947	86.4	143.4	229.8	67.2	36.9	30.3	29.5
1948	73.2	162.6	235.8	78.6	35.4	43.2	31.9
1949	72.2	157.2	229.4	64.7	35.4	29.3	29.8
1950	58.3	164.7	223.0	75.7	35.9	39.8	31.2
1951	59.5	147.3	206.8	59.9	31.8	28.1	40.0
1952 2/	58.2	146.9	205.1	3/62.0	3/31.0	3/31.0	37.6
1953 2/	58.2	3/143.1	3/201.3				

1/ Year beginning October 1. 2/ Subject to revision. 3/ Estimated.

Exports of fire-cured tobacco during the current marketing year seem likely to be around 31 million pounds--about 3 million pounds above the postwar low of a year earlier. In the first three quarters of the 1952-53 marketing year, exports of Kentucky-Tennessee fire-cured were 11 percent above those in the same period of a year earlier. Netherlands, the leading outlet, got 9 percent less but Switzerland, ranking second, got 74 percent more. The next two ranking outlets, Spain and France, took sizable amounts in contrast to none or only negligible amounts in 1951-52. Fifth ranking outlet was Sweden, whose takings in the first 9 months of the marketing year were nearly five times as large as the relatively small quantity taken in 1951-52. Among other important outlets, the United Kingdom, Belgium, Ireland, Germany, Portugal, Cameroon, and French West Africa took less than in October 1951-June 1952 while Denmark, Norway, Gold Coast, and Haiti took more.

In the first three quarters of the 1951-52 marketing year, exports of Virginia fire-cured were about 25 percent above the relatively low level of a year earlier. Norway, accounting for over two-fifths of the total, took 2 1/3 times as much as in October 1951-June 1952. Sweden, the next ranking outlet, also got almost twice as much and that going to the United Kingdom increased. Much less went to Austria and also less went to Australia, New Zealand, Switzerland, Germany, and Trinidad.

1953 Price Supports

The Government price support level for fire-cured is computed at 75 percent of the Burley loan level. In March the Department announced the minimum support for 1953 fire-cured at 35.0 cents per pound--75 percent of the 46.6 cent minimum announced for Burley. The 1952 support level was 37.1 cents per pound and the season average price for the combined fire-cured types was 37.6 cents. The Virginia type 21 and Kentucky-Tennessee type 22 average prices were 9 and 7 percent, respectively, less than in the preceding year but Kentucky-Tennessee type 23 prices averaged as high as the previous year.

During the 1952 marketing season, growers of fire-cured tobacco placed 10.8 million pounds--nearly one-fifth of the 1952 crop--under Government loan. On July 31, Government loan stocks of fire-cured were equivalent to about 54 million pounds (farm-sales weight)--37 percent of the total placed under loan during the past 7 seasons.

Table 12.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-53

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939	44.2	56.1	100.3	34.7	27.3	7.4	7.3
1940	42.5	65.6	108.1	33.7	29.0	4.7	7.7
1941	31.5	74.4	105.9	41.9	38.9	3.0	12.0
1942	35.2	64.0	99.2	33.9	29.8	4.1	15.0
1943	30.0	65.3	95.3	37.6	34.4	3.2	27.2
1944	44.9	57.7	102.6	42.2	35.9	6.3	23.3
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1046	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.9	23.1	14.8	28.7
1949	36.2	74.1	110.3	30.5	24.3	6.2	28.2
1950	28.6	79.8	108.4	36.6	26.3	10.3	24.6
1951	31.7	71.8	103.5	30.3	22.4	7.9	34.3
1952 2/	33.8	73.2	107.0	3/ 28.5	3/22.5	3/6.0	31.6
1953 2/	32.2	3/ 78.5	3/110.7				

1/ Year beginning October 1.
2/ Subject to revision.
3/ Estimated.

Dark Air-Cured, Types 35-37

Production and Carryover

The indicated acreage of types 35-37 combined is 27,800--almost 6 percent above last year. One Sucker, type 35, grown mainly in Kentucky and Tennessee, is up almost 5 percent; Green River, type 36, grown in Kentucky, is up about 2 1/2 percent; and Virginia sun-cured, type 37, may be up by as much as 18 percent. Since total acreage allotments changed comparatively little from a year ago, somewhat fuller planting of allotments is indicated.

The August 1 production prospect for total dark air-cured was for about 32.2 million pounds--5 percent less than in 1952. Yields per acre are indicated as likely to be 9 to 12 percent lower than last year for these types.

The carryover of dark air-cured on October 1 (beginning of the 1953-54 marketing year) is estimated at 78 or 79 million pounds--around 7 percent above last October 1. The increase in stocks is indicated to be largely One Sucker. The 1953-54 total supply of dark air-cured--carryover plus this year's production--probably will be around 111 million pounds. This would be about 3 and 7 percent higher than in 1952-53 and 1951-52, respectively.

Domestic Use and Exports

Total disappearance of dark air-cured in the year ending September 30, 1953, is likely to be around 28 1/2 million pounds--slightly lower than in the preceding year and probably the smallest on record. Domestic use may hold about even with a year earlier at 22 or 23 million pounds, but exports at about 6 million pounds may be the smallest for any year since the war. The output of plug, twist, and finecut combined in the first three-fourths of the marketing year was only 1.8 percent less than in the same period of 1951-52. These chewing tobaccos are the major domestic outlets for the dark air-cured types.

During the first three quarters of the current marketing year, exports of all dark air-cured tobacco were about one-third lower than in the comparable period of 1951-52. Dark air-cured tobacco exports are made up partly of leaf and partly of Black Fat--a semiprocessed form. Exports of Black Fat during October 1952-June 1953 were about one-third lower than in the same period of 1951-52. Decreases occurred in shipments to the leading destinations: Nigeria, Gold Coast, and French West Africa. Exports of One Sucker leaf also declined one-third below the October 1951-June 1952 total with decreases occurring in shipments to Nigeria, the principal foreign outlet, and Belgium and several other countries. Exports of Green River leaf dropped 31 percent below the comparable figure of a year earlier with a sizable decline occuring in shipments to the United Kingdom, the principal outlet. None at all was recorded for Belgium and Indonesia, two foreign outlets taking some in 1951-52. Netherlands got considerably more Green River and Liberia also got a little more than in the comparable period of a year earlier. Virginia sun-cured exports amounted to about 76,000 pounds in October 1952-June 1953--nearly all of which went to Norway, but a little went to Switzerland.

1953 Price Supports

The Government price support level for dark air-cured is computed at 66 2/3 percent of the Burley loan level. In March the Department announced the minimum support for 1953 dark air-cured at 31.1 cents per pound--66 2/3 percent of the 46.6-cent minimum announced for Burley. The 1952 support level was 33.0 cents per pound and the season average price for the combined dark air-cured types was 31.6 cents. The 1952 price averages of One Sucker, Virginia sun-cured, and Green River dropped 6, 9, 11 percent, respectively, below the previous year. The quality was not as good as that sold a year earlier.

During the 1952 marketing season, growers of dark air-cured placed close to 10 million pounds or about three-tenths of the crop under Government loan. This was the largest quantity and proportion placed under loan since the 1947 season. On July 31, Government loan stocks of dark air-cured were equivalent to about 40 million pounds (farm-sales weight) --62 percent of the total placed under loan during the past 7 seasons.

Cigar, Types 41-62

Production and Carryover

The 1953 crop of continental cigar filler and binder except for Pennsylvania Seedleaf, type 41, is being grown under a marketing quota and acreage allotments.

Filler: The 1953 indicated acreage of Pennsylvania Seedleaf, type 41, is 24,400--up 5 percent from last year's harvested acreage, which was a 17-year low. Ohio filler, types 42-44, acreage indicatedat 5,500 is 3 1/2 percent lower than the 1952 harvested acreage. The August 1 indicated production of type 41 was about 37.6 million pounds--about 4 1/2 percent more than the relatively small 1952 crop--but production of Ohio filler at 8.2 million pounds was nearly 7 percent below last year.

Carryover of the combined filler types 41-44 on October 1 is estimated at 146 million pounds--9 percent below the postwar peak of a year earlier. The 1953-54 total supply--this year's production plus carryover --probably will be around 192 million pounds--7 percent less than for 1952-53 and the lowest in 5 years.

Puerto Rican tobacco, type 46, also is a cigar filler type. The 1952-53 acreage (mainly harvested in the early months of 1953) is estimated at about 36,000 acres--5 1/2 percent above 1951-52 and the crop at close to 33 million pounds--over 15 percent above a year earlier. On July 1, stocks of Puerto Rican tobacco totaled 54 million pounds--over one-tenth larger than a year earlier. The quantity held in the United States was 11 percent smaller but that on the Island (two-thirds of the total) was up 27 percent from a year earlier.

Binder: The indicated acreage for the combined binder types is 30,500--about 3 percent less than last year. In the Connecticut Valley, the acreage of Broadleaf, type 51, was down about 4 percent but Havana Seed, type 52, was up about 8 percent--the increase occurring in Massachusetts. In Wisconsin, the southern area, type 54, acreage dropped about

Table 13.- Cigar tobacco, types 41-55: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-53

(Farm-sales weight)

Type and year	Production	Stocks October 1	Supply	Disappearance year beginning October 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types 41-44 1/					
Average 1934-38	48.9	159.9	208.8	54.4	10.4
1939	63.1	141.9	205.0	54.0	11.7
1940	64.7	151.0	215.7	58.7	12.0
1941	71.2	157.0	228.2	61.4	12.5
1942	53.8	166.8	220.6	67.0	13.2
1943	47.0	153.6	200.6	55.2	18.6
1944	54.6	145.4	200.0	57.1	19.5
1945	45.4	142.9	188.3	59.5	34.0
1946	57.3	128.8	186.1	63.9	32.8
1947	60.6	122.2	182.8	59.1	30.6
1948	68.3	123.7	192.0	60.1	25.8
1949	65.4	131.9	197.3	53.5	26.2
1950	65.7	143.8	209.5	52.1	25.2
1951	63.0	157.4	220.4	59.4	19.6
1952 2/	44.8	161.0	205.8	3/ 60.0	25.2
1953 2/	45.8	3/ 145.8	3/ 191.6		
Binder types 51-55 4/					
Average 1934-38	41.8	165.1	206.9	60.5	12.5
1939	63.3	116.6	179.9	45.0	16.6
1940	67.9	134.9	202.8	66.1	14.5
1941	61.6	136.7	198.3	60.4	16.9
1942	55.2	137.9	193.1	66.4	20.4
1943	51.0	126.7	177.7	69.2	30.3
1944	57.7	108.5	166.2	63.9	30.9
1945	63.5	102.3	165.8	62.3	47.7
1946	74.1	103.5	177.6	53.9	52.7
1947	69.4	123.7	193.1	67.3	43.4
1948	60.5	125.8	186.3	63.1	41.2
1949	61.7	123.2	184.9	49.8	36.0
1950	65.0	135.1	200.1	57.6	35.8
1951	49.8	142.5	192.3	57.5	38.1
1952 2/	48.3	134.8	183.1	3/ 61.0	38.6
1953 2/	48.7	3/ 122.1	3/ 170.8		

1/ Includes small quantity of type 45 in 1934-38 average. 2/ Subject to revision. 3/ Estimated. 4/ Includes small quantity of type 56 through 1948.

15 percent and the northern area, type 55, held about even with last year. The relatively small New York and Pennsylvania Havana Seed, type 53, was indicated to be less than last year.

The August 1 indicated production of all binder types at 48.7 million pounds is slightly more than last year's harvestings. Prospective average yields per acre for the Connecticut Valley types are above last season and may be a record. Carryover of the binder types on October 1 is expected to be near 122 million pounds--9 percent below October 1, 1952. Indications are that most of the drop will be in stocks of Havana See and northern Wisconsin tobacco. The prospective 1953-54 total supply of all binder types is 171 million pounds--about 7 percent below 1952-53 and the lowest since 1945-46.

Wrapper: Total shade-grown wrapper acreage is indicated at 12,000--7 percent lower than last year's harvested acreage. The declines were about 4 percent in the Connecticut Valley, type 61, and 12 percent in the Georgia-Florida, type 62. The August 1 indicated production at 13.7 million pounds was 5 1/2 percent below last year's harvestings and smallest since 1947. The indicated 1953 crops were down about 2 1/2 and 10 percent in the Connecticut Valley and Georgia-Florida areas, respectively. A marketing agreement and order is in effect on Georgia-Florida shade-grown and limits the marketings of poorer qualities of this type.

Table 14.- Cigar tobacco, types 61-62: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-53

(Farm-sales weight)

Type and year	Production	Stocks July 1	Supply	Disappearance year beginning July 1	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Wrapper types 61-62					
Average 1934-38	8.4	11.8	20.2	9.3	78.3
1939	11.4	10.1	21.5	7.9	67.7
1940	9.5	13.6	23.1	10.4	77.6
1941	10.1	12.7	22.8	9.6	98.4
1942	9.2	13.2	22.4	9.4	132.1
1943	10.0	13.0	23.0	8.7	167.7
1944	11.3	14.3	25.6	10.9	196.1
1945	11.2	14.7	25.9	12.3	197.3
1946	12.5	13.6	26.1	12.7	234.0
1947	13.5	13.4	26.9	12.4	296.0
1948	15.1	14.5	29.6	13.0	274.0
1949	17.3	16.6	33.9	14.5	201.0
1950	15.5	19.4	34.9	14.9	203.0
1951	14.9	20.0	34.9	13.7	194.0
1952 1/	14.5	21.2	35.7	16.4	237.0
1953 1/	13.7	19.3	33.0		

1/ Subject to revision.

The carryover of cigar wrapper, types 61-62, on July 1, 1953, was 19.3 million pounds--9 percent less than the postwar peak of the year earlier. All the drop occurred in type 61. The 1953-54 total wrapper supply--production plus carryover--is 33 million pounds--nearly 8 percent less than in 1952-53 and the lowest for 5 years.

Domestic Use and Carryover

The greater proportion of cigar tobacco is used in domestic cigar manufacture but some grades, especially of the binder types, are used for scrap chewing tobacco and some is exported. During the first three-fourths of the current marketing year for filler and binder types, (beginning October 1, 1952) cigar manufactures averaged 3 percent more but output of scrap chewing averaged 2 percent less than in the comparable period of a year earlier.

Total disappearance of cigar filler, types 41-44, is expected to approach 60 million pounds for the year ending September 30, 1953. This is practically the same as in the preceding year. Exports which account for a very small proportion (usually 1 or 2 percent) of filler disappearance, have averaged considerably lower than a year ago.

Total disappearance of the combined cigar binder types is expected to be close to 61 million pounds for October 1952-September 1953--about 3½ million pounds larger than in 1951-52. Exports may reach 4 million pounds (farm-sales weight)--one-third more than in 1951-52. During the first three-fourths of the marketing year, the leading outlets, Western Germany and Belgium, got more than a year earlier and a substantial quantity went to East Germany in contrast to none a year earlier. However, none was recorded for Austria in contrast to about one-quarter million pounds in the comparable period of 1951-52. During October 1952-June 1953, about 53 percent of the binder exports was Wisconsin tobacco; 29 percent, Havana Seed; and 18 percent, Broadleaf.

In the year ending June 30, 1953, the total disappearance of domestic cigar wrapper was 16.4 million pounds compared with 13.7 million a year earlier. Usings in this country and also exports increased. Exports at about 4.4 million pounds (farm-sales weight) were almost a fourth larger than in 1951-52. Western Germany, accounting for three-fifths of the total, got 8 percent more than a year earlier. East Germany took a substantial amount in contrast to none a year previous. Quantities going to Belgium, Canada, and Netherlands showed a sharp increase but less went to Denmark and Brazil.

Cigar Tobacco Price Support

All of the filler and binder types of cigar tobacco will receive Government price supports for the 1953 crop except Pennsylvania Seedleaf, type 41, for which a marketing quota was disapproved by growers. The 1953 minimum supports by types are shown in table 15. These were announced by the Department on March 25. Ninety percent of the July parity price for cigar filler and binder (types 42-44 and 51-55) was lower than the minimum.

Government price support was not in effect for any filler and binder crops in 1952 except Puerto Rican. Government loans were made on about 1.4 million pounds of 1952 Puerto Rican tobacco but this promptly moved into trade channels and none remains in Government loan stocks. Government loan stocks and CCC inventories of cigar tobacco on July 31, 1953, totaled about 11 million pounds. The major part of this is 1950 and 1951 crop tobacco and the remainder is 1948 and 1949 crop tobacco. Nearly 57 percent is Wisconsin type 54; 18 percent, Ohio filler; 16 percent, Connecticut Valley Havana Seed; and 9 percent, Connecticut Broadleaf.

Table 15.- Cigar tobacco types, Government loan levels, season average prices--1950-52, and minimum supports--1953

Type	1950 loan level	1950 season average	1951 loan level	1951 season average	1952 season average 1/	1953 minimum supports
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Pennsylvania filler, type 41	25.2	26.4	1/	19.0	25.2	1/
Ohio cigar filler, types 42-44	23.6	18.6	26.1	24.4	25.0	25.4
Puerto Rican filler, type 46	29.0	24.9	32.6	30.0	2/	3/
Conn. Valley Broadleaf binder, type 51	49.0	52.0	55.2	51.0	50.0	53.4
Conn. Valley Havana Seed binder, type 52	49.5	39.8	54.2	42.6	48.9	51.2
N. Y. and Pa. Havana Seed binder, type 53	25.5	21.7	28.0	22.3	20.9	26.1
Southern Wis. binder, type 54	24.1	23.5	27.3	25.3	19.5	25.4
Northern Wis. binder, type 55	30.0	28.1	33.5	31.3	31.4	32.0
Conn. Valley shade-grown, type 61	4/	205.0	4/	205.0	275.0	4/
Ga.-Fla. shade-grown type 62	4/	200.0	4/	180.0	180.0	4/

1/ Government price support not in effect on type 41 in 1951, 1952, and 1953; nor on types 42-44 and 51-55 in 1952.
2/ 1952 loan level--33.1 cents--season average not available.
3/ Support level will be announced as of October 1, 1953
4/ Mandatory loans not applicable.

Table 16.- Acreage of tobacco in the United States, by class and type, average 1934-38, annual 1951-53, and percentages

Class and type	Average 1934-38	1951	1952 1/	1953 1/	Percentage change 1952 to 1953
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	327.1	396.0	397.0	368.0	-7.3
Eastern North Carolina, type 12	296.6	356.0	356.0	331.0	-7.0
South Carolina, type 13	155.7	224.0	224.0	208.0	-7.1
Georgia and Florida, type 14	83.7	134.1	134.3	123.9	-7.7
Total flue-cured, types 11-14	863.1	1,110.1	1,111.3	1,030.9	-7.2
Virginia, type 21	23.1	10.0	9.8	10.0	+2.0
Kentucky and Tennessee, type 22	76.7	28.2	28.2	28.7	+1.8
Kentucky and Tennessee, type 23	32.4	10.8	9.4	9.9	+5.3
Total fire-cured, types 21-23	2/135.2	49.0	47.4	48.6	+2.5
Burley, type 31	347.2	456.1	463.5	428.7	-7.5
Maryland, type 32	36.7	53.0	51.0	47.0	-7.8
One Sucker, type 35	19.9	15.0	14.9	15.6	+4.7
Green River, type 36	18.8	8.0	8.0	8.2	+2.5
Virginia sun-cured, type 37	3.3	3.5	3.4	4.0	+17.6
Total dark air-cured, types 35-37	42.0	26.5	26.3	27.8	+5.7
Pennsylvania Seedleaf, type 41	23.4	34.6	23.2	24.4	+5.2
Miami Valley, types 42-44	14.6	4.9	5.7	5.5	-3.5
Total cigar filler, types 41-44	3/38.0	39.5	28.9	29.9	+3.5
Connecticut Valley Broadleaf, type 51	7.2	8.7	9.6	9.2	-4.2
Conn. Valley Havana Seed, type 52	5.4	6.6	5.9	6.4	+8.5
N. Y. and Pa. Havana Seed, type 53	.7	.6	.5	.4	-20.0
Southern Wisconsin, type 54	8.9	6.9	6.0	5.1	-15.0
Northern Wisconsin, type 55	6.7	8.9	9.4	9.4	.0
Total cigar binder, types 51-55	3/29.9	31.7	31.4	30.5	-2.9
Conn. Valley shade-grown, type 61	6.3	8.4	7.8	7.5	-3.8
Ga. and Fla. shade-grown, type 62	2.6	5.2	5.1	4.5	-11.8
Total cigar wrapper, types 61-62	8.9	13.6	12.9	12.0	-7.0
Louisiana Perique, type 72	.3	.4	.3	.2	-33.3
Total all types	1,501.3	1,779.9	1,773.0	1,655.6	-6.6

1/ Preliminary. 2/ Includes small acreage of type 24. 3/ Includes small acreages of types 45 and 56.

Table 17.- Tobacco: Yield per acre in the United States, by types, for specified periods with percentages

Period	Flue-cured 11-14	Fire-cured 21-24	Burley 31	Maryland 32	Dark air-cured 35-37	Cigar Filler 41-45 1/	Cigar Binder 51-56 1/	Cigar Wrapper 61-62	All United States types
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
Average:									
1924-28	676	767	807	781	784	1,340	1,256	1,041	765
1929-33	707	777	777	683	803	1,035	1,350	1,039	770
1934-38	856	811	819	749	837	1,266	1,465	954	865
1939	922	868	931	820	908	1,292	1,536	1,044	940
1940	1,025	888	1,045	850	905	1,337	1,530	922	1,036
1941	905	935	985	775	967	1,497	1,503	939	966
1942	1,024	982	980	740	1,037	1,249	1,520	963	1,023
1943	938	943	982	590	972	1,241	1,540	1,044	964
1944	1,069	1,022	1,189	850	1,116	1,440	1,548	1,075	1,115
1945	1,088	951	1,127	525	988	1,261	1,518	1,001	1,094
1946	1,137	1,189	1,256	925	1,215	1,469	1,519	1,000	1,181
1947	1,135	1,031	1,153	795	1,054	1,419	1,495	992	1,138
1948	1,233	1,170	1,396	750	1,165	1,566	1,524	998	1,274
1949	1,191	1,189	1,253	825	1,133	1,542	1,561	1,108	1,213
1950	1,312	1,102	1,222	800	998	1,474	1,547	1,130	1,269
1951	1,309	1,215	1,355	785	1,197	1,594	1,572	1,098	1,310
1952 2/	1,229	1,228	1,403	775	1,286	1,550	1,539	1,125	1,272
1953 3/	1,232	1,198	1,351	800	1,158	1,533	1,597	1,143	1,260
	Percentage change								
	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent	Per-cent
Av. 1934-38 to av. 1948-52	+46.6	+45.6	+61.9	+5.1	+38.1	+22.0	+5.7	+14.5	+46.6
1952 to 1953	+.2	-2.4	-3.7	+3.2	-10.0	-1.1	+3.8	+1.6	-.9

1/ From 1936 to 1939, type 45 (filler) supplanted by type 56 (binder).
2/ Preliminary.
3/ Indicated as of August 1.

Table 18.- Cash receipts from tobacco compared with total cash receipts from all farm commodities, selected States and United States, average 1935-39, annual 1951-52

State	Cash receipts		Tobacco as percentage of total	Cash receipts		Tobacco as percentage of total	Cash receipts		Tobacco as percentage of total
	Total	Tobacco		Total	Tobacco		Total	Tobacco	
	Average 1935-39			1951			1952		
	Million dollars	Million dollars	Percent	Million dollars	Million dollars	Percent	Million dollars	Million dollars	Percent
N. C.	227	121	53.3	947	535	56.5	930	457	49.1
Ky.	146	52	35.6	613	223	36.4	583	206	35.3
S. C.	100	19	19.0	413	89	21.5	380	89	23.4
Va.	120	20	16.7	506	92	18.2	502	91	18.1
Tenn.	125	16	12.8	516	65	12.6	523	72	13.8
Ga.	146	15	10.3	619	65	10.5	652	63	9.7
Conn.	54	7	13.0	171	25	14.6	168	22	13.1
Md.	70	5	7.1	270	18	6.7	269	19	7.1
Fla.	119	4	3.4	507	25	4.9	470	21	4.5
Pa.	264	4	1.5	836	15	1.8	848	10	1.2
Mass.	75	2	2.7	211	9	4.3	203	7	3.4
Wis.	297	2	.7	1,128	8	.7	1,143	7	.6
Ohio	326	3	.9	1,070	11	1.0	1,073	11	1.0
Ind.	266	2	.8	1,142	7	.6	1,096	6	.5
Subtotal	2,335	272	11.6	8,949	1,187	13.3	8,840	1,081	12.2
U. S. 1/	7,954	274	3.4	32,622	1,191	3.7	33,125	1,086	3.3

1/ Other States with relatively small cash receipts from tobacco are Alabama, Kansas, Louisiana, Minnesota, Missouri, New York, and West Virginia.

Table 19.- Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-52, by quarters 1951-53

Year and quarter	Net sales	Net income		Profit			
				Per dollar of sales		As percentage of stockholders' equity (annual basis)	
		Before Federal tax	After Federal tax	Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,329	294	129	8.8	3.9	21.8	9.6
	New series 1/						
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1951							
1	762	68	32	8.9	4.2	20.3	9.5
2	840	69	34	8.2	4.0	20.4	10.0
3	865	76	30	8.8	3.5	22.4	8.8
4	911	82	33	9.0	3.6	23.8	9.6
1952							
1	846	61	25	7.2	3.0	17.7	7.3
2	919	69	28	7.5	3.0	19.1	7.7
3	978	80	33	8.2	3.4	21.9	9.0
4	959	75	34	7.8	3.5	20.5	9.3
1953							
1	875	65	28	7.4	3.2	17.9	7.7

1/ Although not strictly comparable to the series previously published for the years 1947-50, the differences disclosed by comparing the new series with the old series for the year 1951 are relatively minor.

Bureau of Agricultural Economics. Compiled and adapted from quarterly Industrial Financial Report Series of the Securities and Exchange Commission.

Table 20.- Receipts from Federal taxes on tobacco products, selected averages, and fiscal years 1945-53

Fiscal year	Cigarettes 1/	Cigars 2/	Chewing and smoking	Snuff	All other 3/	Total
	Thousand dollars	Thousand dollars	Thousand dollars	Thousand dollars	Thousand dollars	Thousand dollars
Average:						
1925-29	280,594	30,576	64,727	7,033	1,666	384,596
1930-34	343,029	15,510	57,451	6,954	1,409	424,353
1935-39	456,908	12,677	54,712	6,677	1,214	532,188
1940-44	718,814	18,884	50,914	7,275	4,096	799,983
1945-49	1,099,186	43,766	40,108	7,362	1,095	1,191,517
1945	836,753	36,678	49,574	7,741	1,399	932,145
1946	1,072,971	41,454	41,961	7,373	1,760	1,165,519
1947	1,145,268	48,354	36,548	7,054	544	1,237,768
1948	1,208,204	46,752	37,024	7,372	928	1,300,280
1949	1,232,735	45,590	35,435	7,272	843	1,321,875
1950	1,242,851	42,170	35,070	7,389	985	1,328,465
1951	1,293,973	44,275	33,870	7,235	1,043	1,380,396
1952	1,474,072	44,810	22,817	4,796	4/ 18,667	1,565,162
1953	1,586,782	46,326	17,244	3,821	738	1,654,911

1/ Includes large cigarettes.
2/ Includes small cigars.
3/ Leaf dealer penalties, floor taxes, cigarette papers and tubes, etc.
4/ The extremely sharp increase in this total largely represents the collections of floor taxes on cigarettes following the rate increase that became effective on November 1, 1952.

Bureau of Agricultural Economics. Compiled from reports of the Bureau of Internal Revenue.

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